

Blue Cross & Blue Shield of Rhode Island
Direct Pay - Comparison of CY08 Budget to CY07 Projected Actual by Natural Account

	<u>CY2007 Projected</u>	<u>CY 2008 Budget</u>	<u>Increase (Decrease)</u>	<u>%</u>
Salaries And Wages	\$1,678,838	\$1,739,276	\$60,438	3.6
Temporary Empl Serv	14,936	15,473	538	3.6
Fringe Benefits	717,522	737,106	19,583	2.7
Outside Services	328,608	288,512	(40,096)	(12.2)
Legal	146,628	136,810	(9,818)	(6.7)
Facilities & Occupancy	152,906	160,551	7,645	5.0
Equipment	57,624	59,353	1,729	3.0
Software	126,886	130,692	3,807	3.0
Insurance	26,577	27,374	797	3.0
Travel	29,930	30,828	898	3.0
Printing/Office Supplies	103,844	106,959	3,115	3.0
Postage	192,180	197,945	5,765	3.0
Telephone	68,455	70,508	2,054	3.0
Advertising & Public Relations	78,706	77,379	(1,327)	(1.7)
Corporate & Civic Dues	33,657	34,667	1,010	3.0
Vendor Fees	1,681,639	1,733,770	52,131	3.1
Other	<u>108,954</u>	<u>111,600</u>	<u>2,647</u>	2.4
Subtotal	\$5,547,890	\$5,658,805	\$110,915	2.0
Change In Claims Handling	29,676	21,957	(7,719)	(26.0)
Beacon MHSA	78,944	84,058	5,114	6.5
Pharmacy Benefit Management	32,995	33,978	983	3.0
Radiology Vendor Fee	2,532	50,688	48,156	-
HIPAA	14,560	14,997	437	3.0
Projects	<u>43,500</u>	<u>0</u>	<u>0</u>	-
Total Expense	<u><u>\$5,750,097</u></u>	<u><u>\$5,864,482</u></u>	<u><u>\$157,885</u></u>	2.0

Budget Methodology

The 2008 expenses were developed by using the 2007 projections (January - June 2007 actual and annualizing for a full year) and adding inflation factors by department. The expenses were then adjusted for known activities.

- Ratefiling costs will be similar to 2006.
- Enrollment remains relatively flat.